

To the Members of the California State Assembly:

I am returning Assembly Bill 1736 without my signature.

I share the author and sponsor's interest in testing the efficacy of different treatment models for Medi-Cal beneficiaries. However, this bill is duplicative of current Department of Health Services (DHS) efforts and would impose significant costs on the program. DHS is currently developing a disease management program utilizing a Primary Care Case Manager (PCCM) model, which will be implemented in a select number of fee-for-service counties (both urban and rural) and will test the efficacy of a disease management benefit to eligible Medi-Cal beneficiaries with several specific targeted diseases. The chronic care model proposed in AB 1736 is a different model for chronic disease management and would significantly increase costs because the Department would have to expand the scope of service for federally qualified health centers and rural health centers. In addition to increasing costs in the clinic model, it would be difficult to obtain necessary data for the needed evaluation because the bundled rate used for reimbursement of clinics does not show the individual services provided.

For these reasons I am returning AB 1736 without my signature.

Sincerely,

Arnold Schwarzenegger